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SUBJECT: SLOVENIA FEELING TRAPPED BY CROATIAN INTRANSIGENCE
ON EU ACCESSION

Classified By: CDA Brad Freden, Reasons 1.4 (b,d)

Summary

1. (C) Iztok Mirosic, the Director-General for European Affairs and Bilateral Politics (Under Secretary equivalent) and Coordinator for Croatia, told CDA on April 3 that the Government of Slovenia (GoS) wanted Croatia in the European Union as soon as possible. However, Slovenia felt trapped between Croatian intransigence and internal political realities. We believe Slovenia would jump at the chance to escape this dilemma if Croatia would offer a political lifeline in the form of a face-saving compromise that takes into consideration both sides' red lines. Absent some sign that Croatia is willing to meet Slovenia half way, we see this stalemate dragging on indefinitely.

2. (C) The GoS has accepted the March 25 proposal by EU Commissioner for Enlargement Ollie Rehn for "ad hoc arbitration" - as opposed to mediation - to resolve the border issue and will also look at the expected Rehn proposal with an open mind. However, the Slovenians are slowly coming to believe that Croatia is not serious about finding a compromise solution. Mirosic stated that Slovenia was flexible, and only the political consensus about Slovenia's need for territorial contact with the high seas limited Slovenia's maneuverability. He explained that the government must obtain a two-thirds majority in Parliament for the ratification of Croatia's EU accession, and thus needed some sort of compromise that it could take to the people and Parliament. Slovenia had gone as far as it could politically absent some sign of Croatia's willingness to meet Slovenia half-way. Pressure on Slovenia by member-states or, he implied, by the U.S. would be highly counter-productive absent similar engagement with Croatia. End Summary.

Looking at Next Steps

3. (C) Mirosic repeated for CDA on April 3 a briefing about Slovenia/Croatia that he had given to EU ambassadors the day before. The main message was that Slovenia had gone as far as it could go without some sign from Croatia of its willingness to compromise. He noted that Slovenia and Croatia were expecting Rehn to put forward another proposal before Easter, perhaps around April 8; the parties would meet after Easter break, perhaps around April 20, prior to the Intergovernmental Conference (IGC) on April 24. He said he had warned the EU ambassadors that this was a very narrow time frame, and he doubted that Slovenia and Croatia would be able to reach agreement by April 23 under the current circumstances.

14. (C) He reviewed the latest Rehn proposal for ad hoc arbitration, which would consist of five wisemen (he said that Croatia did not want Ahtisaari). Rehn would name the president of the "Senior Expert Group," who would then appoint two of recognizable competence in international law and dispute resolution, and Slovenia and Croatia would each appoint one (if either side did not appoint somebody in a reasonable time, then the ICJ would make the appointment). He explained that Slovenian law required that entry of force of the agreement to go arbitration be by Parliamentary ratification, not signature; i.e. Parliament will have to approve the arbitration proposal by a simple majority. Mirosic said the need for an early vote in Parliament was good in that it would help build the necessary political consensus and prepare the public for compromise. A two-thirds majority would still be required to ratify Croatia's entry into the EU. He noted that although Slovenia was not enthusiastic about arbitration, it had accepted Rehn's latest proposal in principle. He speculated that Rehn's proposal-to-come would incorporate Slovenian and Croatian concerns.

Getting Ratification Requires Compromise

14. (C) Mirosic stressed that the government needed a compromise solution to sell to its public and Parliament in order to avoid a referendum that would likely block ratification. He explained that there was strong public and political consensus for Slovenia's position (88-90 percent favored Slovenia taking a strong position), and that the government needed to have a reasonable compromise in hand

LJUBLJANA 00000095 002 OF 003

that it could then sell to the public.

But Croatia Has Plenty of Reasons to Wait

16. (C) Mirosic put forward a couple of explanations for Croatia's "unwillingness to compromise." He said Slovenia was getting the impression that Croatia did not want to conclude EU negotiations this year for a variety of reasons, including upcoming elections, and politically-explosive problems with other chapters. In his view, the Croatian leadership is content to let Slovenia take the blame for delaying Croatia's accession, at least until after local and presidential elections, in order to avoid the domestically painful measures needed to close the Competition and Justice and Home Affairs chapters. He also suggested that Croatia would let the Rehn initiative die on the vine in hopes that member-states would pressure Slovenia to back down once the issue was put back on the agenda of the Council. He commented ironically that the recent ideas proposed by the French about splitting the issue in various ways were "surprisingly similar to Croatian proposals." Mirosic added that Slovenia had informed France and Rehn that those proposals were non-starters as they were politically indefensible to the Slovenian public.

17. (C/NF) Mirosic and the Czech Ambassador in Ljubljana both explained that some of the bigger member-states, e.g., France, were hoping to annex legal amendments to the Lisbon Treaty (to meet Irish demands) to votes by member-states on Croatia's accession. This would be a simpler and more politically palatable process than requiring each member-state to vote separately on the legal amendments to the Lisbon Treaty. These member-states were thus pressuring Slovenia to separate Croatia's accession from the border issue, a position that Mirosic noted would make Slovenia's ratification of Croatia's entry impossible.

18. (C/NF) The Czech Ambassador also reasoned that Croatia was stalling in the hopes that Slovenia would yield to pressure. She explained that the Czech Presidency was concerned that if there were no progress between now and the April 24 IGC, then

the Foreign Ministers would discuss Slovenia and Croatia's accession at the GAERC two days later. In her view, that discussion would not lead anywhere and would only add to the pressure on Slovenia, although Croatia would be happy. She agreed that Slovenia would not and could not back down because of the internal political situation, so Croatia would be no nearer to accession. Andrej Benedejcic, Director of the MFA's Directorate for Policy Planning and Multilateral Policy, also told CDA on April 2 that Slovenia was concerned about recent Croatian comments suggesting that Slovenia had only ratified Croatia's NATO accession because of U.S. pressure. While agreeing that the assertions were false, Benedejcic noted that they were extremely counterproductive, as would be pressure from EU member-states.

Hoping for Success with the Rehn Proposal

¶9. (C/NF) Mirosic noted that after Rehn had met with the EU trio of France, Czech Republic, and Sweden on April 1, the trio had expressed its support for Rehn and the clear view that further progress was necessary before the IGC. Mirosic held out hope that since Rehn now had the backing of the EU troika, Rehn was likely to give the process more time in the hopes that Croatia would accept his proposal. Although Mirosic doubted, for the reasons above, that Croatia would engage seriously, Slovenia views the Rehn process as the only game in town. The Czech Presidency shares this view and believes that this is the only initiative at the moment that could lead to anything. The Czech Ambassador noted that parallel initiatives could weaken the Rehn initiative.

Comment

¶10. (C) Slovenia's clear message is that it wants Croatia in the EU, but it feels trapped between Croatian intransigence and internal Slovenian political realities. We believe Slovenia would jump at the chance to escape this dilemma if Croatia would offer a political lifeline in the form of a face-saving compromise that takes into consideration both sides' red lines. Absent some sign that Croatia is willing to meet Slovenia half way, we see this stalemate dragging on indefinitely. Given the recent experience with the

LJUBLJANA 00000095 003 OF 003

referendum initiative on Croatia's NATO accession, we believe that pressure on Slovenia alone will not result in a happy ending to this story. Rather, we need to steer both sides toward compromise in an even-handed manner.
FREDEN